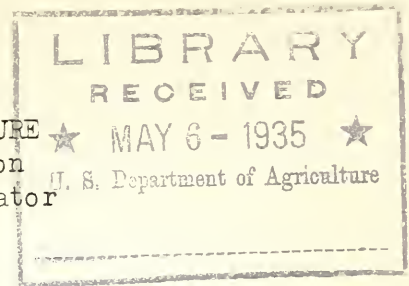


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AD-151

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Alfred D. Stedman, Assistant Administrator
Director, Division of Information,
Washington, D. C.



No. 75

April 27, 1935

To Editors of Farm Journals:

The following information is for your use.

A handwritten signature in cursive script, appearing to read "DeWitt C. Wing".

DeWitt C. Wing
Specialist in Information

COMPTROLLER GENERAL APPROVED MODIFIED 1935 WHEAT CONTRACT

The Agricultural Adjustment Administration has announced that Comptroller General John R. McCarl had approved the 1935 supplementary wheat contract, under which cooperating farmers may plant their full base acreage or more and at the same time receive benefit payments for 1935.

Because dry weather in the western Great Plains has made wheat production uncertain this year, the Adjustment Administration removed restrictions on wheat plantings for farmers under wheat allotment contracts.

As the 1935 reduction is to be made in 1936 by the producers affected, the adjustment payments to cooperating growers will NOT be affected if they increase acreage under the terms of the supplementary contract.

"The ruling which Mr. McCarl has made is entirely satisfactory to the Agricultural Adjustment Administration," Chester C. Davis, Administrator, said. "When the proposal was submitted to the Comptroller General, further information regarding certain details was requested. This was furnished and Mr. McCarl's ruling is based on the additional data. At no time has the Adjustment Administration been in disagreement with the office of the Comptroller General regarding this matter.

"The advice of Mr. McCarl in this and in other programs which have been submitted to him has proved helpful in carrying out the purposes of the Agricultural Adjustment Act.

"The present ruling by Mr. McCarl will make it possible for the Agricultural Adjustment Administration to make 1935 adjustment payments which will be of special benefit in areas where drought has been severe for the last two years, and at the same time it will make more likely adequate wheat supplies."

In approving the contract, Comptroller General McCarl in a letter to Secretary of Agriculture Henry A. Wallace said:

"The condition appears, as understood from your submissions, that in contracting for reduction in wheat production in the years 1934 and 1935, with promise of benefit payments accordingly, there was provided for such reduction in 1935 that if insisted upon, and largely due to drought conditions, there will be danger of a serious shortage of wheat, such danger, in your judgment, as to give cause for concern. The remedy you propose is, in effect, to offer modification of present contracts so as to provide for spreading the restrictions imposed for 1935 into the year 1936 and thereby permitting the planting and harvesting in 1935 of a considerable quantity of wheat otherwise prohibited by such existing contracts. You point out that inasmuch as the Government is already bound to pay benefits, as per existing contracts, the plan you propose will not increase the amounts so payable but will exact the reductions in production as administratively determined upon during a period of two years, 1935 and 1936, instead of within 1935, as originally contracted for.

"Inasmuch as the need now appears to be for greater production in 1935, but existing contracts are standing in the way, the remedy suggests itself of offering annulment of such contracts with a view to saving the benefit payment and releasing the producers to plant and to harvest following the dictates of their judgment, and with adjustments of such contracts in line with your suggestion only in the event of refusal of such offer.

"However, in view of the broad provisions of the Agricultural Adjustment Act, and you as the responsible administrative official having determined adjustment of contracts to be necessary to a carrying out of the agricultural adjustment program adopted thereunder and to avoid a serious wheat shortage, this office is not required to object thereto if carried out as outlined in your submission."

The modified program is expected to result in the planting of an additional 900,000 to 2,300,000 acres of wheat and an increased production of from 10,000,000 to 30,000,000 bushels of wheat, depending upon weather conditions.

The modified plan applies chiefly to spring wheat farmers, but winter wheat farmers who planted wheat for pasture may now allow this to mature, provided that they sign the supplementary contract.

The contract forms will now be printed and rushed to county production control committees as rapidly as possible. In the meantime, if farmers notify their county committees, they may go ahead with increased plantings and sign the contract later.

The amount by which each producer may increase his plantings for 1935 is limited by his ability to make a corresponding reduction in 1936. For each producer the limit on 1935 plantings is equivalent to 165 percent of his base acreage. For instance, for each 100 acres that a producer planted in the base period, he may plant as much as 165 acres for 1935.

#

EASTERN STATES PREPARE FOR NATIONAL WHEAT REFERENDUM

Plans for the national wheat referendum to be held on May 25 were

outlined at a regional meeting held in Washington on April 22 at the Department of Agriculture for Extension Service workers of nine Eastern States. It was the fifth and last of a series of regional meetings held preparatory to the referendum. Others have been held at Indianapolis, Kansas City, Fargo, N. D., and Walla Walla, Wash.

The meeting in Washington was for the territory including Delaware, Georgia, Maryland, New Jersey, New York, North Carolina, Pennsylvania, Virginia and West Virginia. Each regional meeting is to be followed by state meetings, and, finally, by a series of farmers' discussion meetings in each community in which the wheat program is in effect. After the discussion meetings have been completed, the national referendum will be held.

The present wheat situation, the changes which have taken place in wheat production in the last two years, the future outlook, and an outline of the proposed program for 1936 and following years were presented by George E. Farrell, director of the Division of Grains of the Adjustment Administration. C. W. Warburton, director of the Federal Extension Service, presided. Officials of the Adjustment Administration explained the schedule to be followed in conducting the referendum, and special problems in each State were studied.

"The proposed future wheat program will fit the Eastern farmer better than the present wheat program, because the experience gained with the wheat and other adjustment programs will be taken into consideration in any new program," Mr. Farrell said. "This will be especially true for farmers who follow crop rotation systems."

#

INDIAN WHEAT CONTRACT SIGNERS HAVE FULL VOTING PRIVILEGE

Indians on reservations who farm land under wheat allotment contracts or who are landlords of such farms will be entitled to vote individually in the national wheat referendum on May 25 on the same basis as other persons, the Agricultural Adjustment Administration has announced.

This is the answer to the question raised at a Walla Walla, Wash., wheat meeting as to whether a superintendent of an Indian reservation should vote in the referendum for all contract signers on the reservation, or whether they should vote individually.

As Indians are now entitled to vote in national elections, and in many States in all elections, they should cast their individual ballots in the wheat referendum, Indian Service officials have informed the Wheat Section of the Adjustment Administration. The Indian Service will cooperate in conducting the discussion meetings which will be held before the referendum is taken.

The principal States in which Indians are signers of wheat contracts are Arizona, New Mexico, Oklahoma, Oregon, Washington, North Dakota, South Dakota, Montana, Minnesota, Utah and Idaho.

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INDUSTRIAL STATES' SHIPMENTS TO FARM AREAS

State figures showing increased carlot shipments of manufactured goods from 16 northeastern states to 10 states of the agricultural southeast have been announced by the Agricultural Adjustment Administration. The figures were obtained through a study of waybills of four important railroads in the southeast. The study was made by the Agricultural Adjustment Administration, in an effort to ascertain the degree to which increases in agricultural purchasing power, brought about in part by Agricultural Adjustment Administration programs, is reflected in increased demand for factory goods produced in the industrial states.

The study covers two successive periods of one year each. The first year, beginning July 1, 1932, and ending June 30, 1933, preceded the actual launching of the agricultural adjustment program and other recovery measures. The second year, beginning July 1, 1933, and ending June 30, 1934, covered a period when results of the recovery program had begun to be felt.

Of the 16 northeastern industrial states which shipped manufactured goods into the Southeast, Maine showed the greatest percentage of increase. Carlot shipments of industrial goods from Maine increased from 33,435,542 pounds to 56,251,601 pounds, a rise of 68 percent in the first year's operation of the recovery program. Next to Maine, the greatest percentage of increase in carlot shipments to the Southeast is shown by Pennsylvania, with 55.6 percent, the total shipments increasing from 221,999,175 pounds in the first year of the study to 344,455,923 pounds in the second year.

Other states showing large increases were: New York, 51 percent, from 106,290,623 pounds to 160,542,437 pounds; Ohio, 48.9 percent, from 316,716,439 pounds to 471,633,148 pounds; Michigan, 45.6 percent, from 333,994,010 pounds to 486,309,151 pounds; Wisconsin, 43 percent, from 57,636,584 pounds to 82,542,524 pounds; and Massachusetts, 40.9 percent, from 47,622,507 pounds to 67,088,380 pounds.

During the first period, from July 1, 1932, through June 30, 1933, before the agricultural adjustment program and other recovery measures were launched, carlot shipments of manufactured goods from Indiana totaled 295,207,974 pounds. During the next year--a period when the results of these recovery measures had begun to be felt--carlot shipments of manufactured goods from Indiana totaled 413,796,064 pounds, an increase of 40.1 percent.

New Jersey shipments showed an increase of 33 percent, from 53,867,206 pounds to 71,655,328 pounds.

Connecticut showed a 32.7 percent increase in carlot shipments of manufactured goods, from 10,637,630 pounds to 14,120,295 pounds.

Illinois and New Hampshire were tied in percentage of increase, with 25 percent. Illinois shipments increased from 471,597,096 pounds to 589,605,633 pounds, while shipments from New Hampshire increased from 5,508,702 pounds to 6,898,365 pounds. Carlot shipments of manufactured goods from Vermont to the southeastern agricultural states increased 21.7 percent, from 4,055,517 pounds to 4,939,451 pounds.

Delaware showed an increase of 21 percent, with shipments gaining from 4,308,104 pounds to 5,218,231 pounds.

Maryland showed an increase of only 2.8 percent, shipping 131,122,250 pounds in the first period of the study, and 134,790,613 pounds in the second period.

Rhode Island, with a decrease of 1.3 percent, was the only state to ship less of its products in the second period covered by the study. Shipments from that state declined from 11,185,842 pounds to 11,040,295 pounds. The explanation for the decrease, as shown by statistics compiled in the survey, lies in the fact that heavy shipments of textile machinery were made during the latter part of the first period, from July 1, 1932, through June 30, 1933. Since the manufacture of textiles rather than textile machinery is Rhode Island's major industry, the heavy shipments of this type of machinery may be taken to indicate that many of the shipments were due to the removal of part of the textile industry to the South, rather than to the sale of new machinery to plants already established in the South.

The study shows that total carlot shipments from the 16 northeastern industrial states to the 10 states of the agricultural Southeast increased 38 percent, from 2,104,585,201 pounds in the year before the recovery program to 2,920,887,439 pounds in the year when the results of this program had begun to be felt.

Shipments from the northeastern industrial states were made to Virginia, West Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Mississippi, Alabama, Georgia and Florida. In these 10 southeastern states the Agricultural Adjustment Administration had production adjustment programs in effect for cotton and tobacco. During the period in which the industrial shipments increased, from July, 1933, through June, 1934, the cash farm income from crops-plus-benefit-payments to farmers cooperating in adjustment programs in these 10 southeastern states increased 59.9 percent, from \$451,637,000 to \$722,017,000.

#

BUTTER MARKETS SAID TO FLUCTUATE ABNORMALLY

Frequent and violent price fluctuations as recently observed in the primary butter markets of New York and Chicago tend to disturb confidence and work injury to producer, consumer, creamery operator and distributor, according to A. H. Lauterbach, chief of the Dairy Section of the Agricultural Adjustment Administration, who believes that such sharp changes are not necessary under present conditions, at least on the supply side, and that adequate proposals to correct such fluctuations have not been put into effect.

Mr. Lauterbach points out that there have been too many abrupt daily changes in the New York and Chicago butter markets for April, and also that the relationship between markets has been abnormal in recent weeks. For

instance, the prices of 92 score butter in New York and San Francisco, which for a five-year period averaged 26.6 cents in New York and 26.5 cents in San Francisco, have, during April of this year, varied from 5-1/2 cents to 8-1/2 cents a pound difference in quotations, with the New York market ruling that much higher.

During the first 19 trading days of April at New York, the price of 92 score butter changed on 13 days from 1/4 to 2 cents a pound daily, while 90 score fresh butter changed on 12 out of the 19 days, the variation being from 1 cent to 2-3/4 cents a pound daily.

At Chicago there were 11 daily changes in price of 92 score butter in the first 19 trading days of April, varying from 1/4 a cent to 2 cents difference a pound. On 90 score fresh butter there were 11 changes in the 19-day period, from 1/4 cent to 1-1/4 cents a pound.

In noting the proposals that have been put forward at various times to correct such fluctuations in butter prices, Mr. Lauterbach points out that a committee market is one proposal, another is for a weekly price change instead of a daily change, and the third is a proposal that a minimum number of tubs of butter must be offered for sale before a change in price may be established. Again, proposals have been made to form a consolidation of strength by cooperative organizations able to finance a stabilizing program through the purchase or sale of butter, while some farm groups advocate the use of a light processing tax on butterfat to be placed in a revolving fund with which the industry might seek to iron out the irregularities in the market.

"Price-determining markets are so important to the producer that serious study should be given to this subject", declared Mr. Lauterbach. "Regardless of conflicting opinions on the need for balanced production in dairying, the attention of the industry might well continue to center on the behavior of the primary markets to find out whether these erratic prices are based on sound supply and demand factors or something else of questionable value to the whole industry."

#

BUTTER HEARINGS DATA UNDER STUDY BY AAA DAIRY STAFF

Evidence presented regarding a proposed butter marketing agreement, taken at seven hearings on the Pacific Coast and in Mountain States, is being studied by the Dairy Section of the Agricultural Adjustment Administration, preliminary to a decision on the proposed program. While a majority of the records are on file, officials stated that a decision on the program would not be made until all hearing records had been filed and reviewed.

The proposed butter agreement was submitted to the industry for the purpose of bringing out the opinions of producers, consumers, processors and distributors. The hearings were held from March 25 to April 9 at Missoula, Seattle, Portland, San Francisco, Los Angeles, Salt Lake City and Denver.

As tentatively offered to the industry in fact-finding hearings, the agreement was designed to provide a voluntary plan to promote high-quality and increased consumption of butter, greater net income to producers of cream by means of minimum prices for cream based on the wholesale prices of butter in relation to exchange quotations, and establishing differentials for various grades of cream. It was then intended to carry the cream grading quality program through to the retail purchaser, by means of grade labeling of butter. It was also designed to fit into quality improvement programs already instituted in some of the Pacific coast States.

More than 500 persons attended the seven hearings. Every opportunity was afforded for expressions of opinion on the proposed agreement by individual producers, cooperative creameries and cooperative dairy sales associations, Farm Bureau members, State dairy associations, State commissioners of agriculture and dairy and food divisions, State agricultural colleges, dairy councils, consumers' counsels and parent-teacher associations, State butter makers' associations, packers and centralizers, and commercial distributors of dairy products.

Among the producers' cooperative associations who offered testimony were the Interstate Associated Creameries of Oregon, Consolidated Dairy Products Co. of Washington, and the Challenge Cream and Butter Association of California.

In general, a majority of the cooperative producers' representatives, and other producers who appeared at the hearings, favored some form of Federal agreement, except in one State where it was felt that the present State Agricultural Adjustment Act sufficiently covers their immediate problems because no large volume of interstate butter trade originates in that particular State. Cream grading and quality butter distribution were generally supported by producers as important steps in maintaining consumer demand.

On the other hand, as a general rule, the private and independent distributing system submitted testimony largely against any butter marketing agreement at the present time.

The reaction of consumers' representatives was favorable to the proposed agreement. They asked for representation of the public, along with producers, manufacturers and distributors on control committees. Their interest centered on the proposed system of labeling butter packages at retail, A, B and C, according to grade. They gave testimony supporting such labeling as a help toward intelligent buying, and stated that if a larger volume of better butter could be had, many consumers would consume more and pay more, and this would tend to benefit producers and distributors.

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DISMISS LEGAL PROCEEDINGS UNDER BOSTON MILK LICENSE

The United Farmers' Cooperative Creamery Association, Inc., has secured dismissal of further proceedings against it under an order to show cause issued

by the Secretary of Agriculture and the Agricultural Adjustment Administration. The action was dismissed in view of the fact that the association has made payments amounting to \$12,044.36 to the market administrator of the Boston milk license, and because the association has given its assurance of future compliance with the terms of the existing Boston license.

The order to show cause was issued on April 13, 1935, charging alleged license violations by this distributor. The order of dismissal states that the Secretary of Agriculture has taken such action after consideration of the detailed answer which the United Farmers' Cooperative Creamery Association, Inc., has filed with the Agricultural Adjustment Administration as required by general regulations. Since the issuance of the order the Association has fully paid to the market administrator the sum of \$6,528.48 due upon its adjustment account until March 15, 1935, and also the sum of \$5,515.88 as obligations to the market administrator for administrative services rendered from October 19, 1934, to March 15, 1935.

While admitting that it has violated the license in certain particulars, the association has assured the Secretary of Agriculture of future compliance and will furnish to the Secretary of Agriculture and the market administrator of the Boston milk license complete information concerning its producers, as required under the license. Some of its producers were alleged to be non-members of the Association in the show cause order.

The dismissal order, however, expressly reserves the right to institute further proceedings against the Association if either the terms of the license are violated or the promise of compliance in the future is not observed.

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SPECIAL CONTRACT FOR SMALL GROWERS OF CIGAR TOBACCO

Producers of cigar filler and binder tobacco who are operating tobacco farms on which the acreage of tobacco in 1930, 1931 or 1932 was too small to enable them to obtain equitable production allotments under the regular tobacco contracts of the Agricultural Adjustment Administration will be offered a special base contract for 1935. The dates for signing this contract will be announced in each state and each county.

The cigar filler and binder tobacco eligible for the special base contract are Types 41, 42, 43, 44, 51, 52, 53, 54 and 55. They are grown in the New England, Ohio-Indiana, Pennsylvania-New York and Wisconsin-Minnesota areas. The new contract is specifically designed to round out the tobacco program, so that all classes of growers in these areas can obtain equitable allotments.

Producers who sign the contract will be eligible to receive tax-payment warrants to cover the production allotments for their contracts. These warrants may be used to pay the tax levied by the Kerr-Smith Tobacco Act. In addition to tax-payment warrants to cover sales up to their production allotments, these producers will receive a benefit payment at the rate of \$6 an acre for each acre of difference between the tobacco acreage allotment and

their base tobacco acreage. A grower is eligible to sign a special base contract if it can be established that:

(1) The farm which he is operating is equipped for tobacco production and tobacco was grown there in one or more of the years 1929 to 1934, inclusive; or,

(2) The persons who are living on the farm in 1935 were engaged in the production of tobacco in the years 1929 to 1934.

A farm which is covered by a tobacco acreage reduction contract or a farm for which an equitable allotment can be established under a regular contract is not eligible for a special base contract. Any person who has moved from a farm covered by a regular contract with a view of using his personal tobacco history to obtain an allotment under a special base contract is not eligible for an allotment thereunder.

The base figures which can be approved by the state office for special base tobacco contracts for all counties in each state cannot exceed 4 percent of the base acreage for all acreage reduction contracts in the state. The recommendations of each county will be reviewed and acted upon by the state office.

The producer and any share-tenants or share-croppers will divide the benefit payment so that each will receive a share which bears the same proportion to the total as the share of the tobacco acreage grown by him in 1935 bears to the total number of acres of tobacco grown on the farm. It is estimated that total payments under this contract will be approximately \$10,000.

In receiving applications for special base tobacco contracts, county committees in the cigar filler and binder districts are being instructed to give special consideration to applications by: (1) Former tenants who have regularly grown tobacco and now own and operate farms. (2) Tobacco farmers who have lost their farms through foreclosure since 1929. (3) Tenants who have been compelled to move from tobacco-producing farms and who are now growing tobacco on farms for which no equitable allotment can be obtained under tobacco contracts. (4) Farmers who have reduced their acreage and production of tobacco since 1929 to such an extent that they cannot obtain an equitable allotment under a contract. (5) Sons of tobacco farmers who have recently become of age and who now own or rent farms of their own. (6) Other tobacco growers who could not obtain an equitable allotment under regular tobacco production adjustment contracts.

In determining the base tobacco acreage for a farm under the special base contract, consideration will be given to:

1. The average acreage of tobacco planted on the farm from 1929 to 1934.

2. The average acreage of tobacco grown from 1929 to 1934 by persons living on the farm in 1935.

3. The acreage of tobacco that could be grown with the tobacco barns, equipment and labor now on the farm.

No farm will receive a base acreage representing a larger proportion of the land on the farm suitable for tobacco growing than the proportion for typical neighboring farms covered by regular tobacco contracts.

Producers who sign special base contracts will be required to limit the tobacco acreage in 1935 to two-thirds of the base acreage established for their farms. This is the reduction required for 1935 under tobacco acreage reduction contracts for these types of tobacco.

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UNSOLD TOBACCO APPRAISAL TO DETERMINE ADJUSTMENT PAYMENT

Forms on which producers may make application for appraisals to determine the net sale value under adjustment contracts of unsold Burley, fire-cured or dark air-cured tobacco of the 1934 crop are being sent to county agents this week, the Agricultural Adjustment Administration has announced. All applications for appraisals must be filed with county agents not later than May 31, 1935.

It is necessary to establish the net sale value of this unsold tobacco in order to determine the amount of the second adjustment payment under these contracts. The second adjustment payment is based on the net sale value of the production of the contracting producer. Not all producers of these types of tobacco have sold all of their production permitted to be sold under the contract.

In the case of tobacco which has not been sold over an auction warehouse floor, to a licensed dealer of leaf tobacco or to a processor of tobacco, the procedure to be followed in making appraisals is essentially the same as that followed last year in making appraisals of the 1933 crop.

Application for an appraisal must be made by the producer on the prescribed form which will be made available by county agents. The appraised value of unsold tobacco will be established by a qualified appraiser under the supervision of the Administration's tobacco section. If the producer elects to have such appraisal made, the valuation determined shall be used in calculating the amount of the second adjustment payment and it is not subject to change upon subsequent sale.

Producers who make application for an appraisal of any portion of the 1934 crop agree to have an appraisal charge deducted from the second adjustment payment. The charge will be at the rate of 40 cents per 100 pounds appraised, provided that the total charge shall not be less than \$1 nor more than \$5 for any contract.

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LARGE FEED SUPPLIES AVAILABLE FOR DROUGHT-AREA USE

Feed and forage supplies listed with the Federal Livestock Feed Agency, with offices at Kansas City and Amarillo, Texas, offer a valuable source of feed for livestock in the unrelieved drought and dust-storm area, according to H. J. Gramlich, special advisor on feed to the Agricultural Adjustment Administration. He has just returned from a survey of the drought area, pointed out that while most of the feeds available for immediate shipment into the drought area are unfamiliar to Great Plains livestock feeders, they have a relatively high feed value and their use will enable producers to hold livestock until rains may make pastures available.

"Throughout most of the drought area, comprising western Texas, Oklahoma, Kansas and Nebraska, and the eastern part of New Mexico and Colorado, livestock normally is turned on grass April 15. As a result of the drought, combined with coverage of grass by dust, there is no green feed available," said Mr. Gramlich. "Supplies of roughage are practically exhausted, and dealers have about exhausted all of their sources for supplies of usual feed.

"However, the Livestock Feed Agency has listed several thousands tons of oat and vetch mixed hay from Oregon and Washington; upwards of 50,000 tons of grain hay mixed with alfalfa, from California and Arizona; 5,000 cars of Lespedeza hay and Johnson grass hay from Alabama, Tennessee, Kentucky and Mississippi; a quantity of soy bean hay from Illinois, and approximately 100,000 acres of pasture in Missouri, Arkansas and Oklahoma.

"In expanding the source of supply roughage for dealers and producers, through agency listings it should be emphasized that the feed listed, while not usually fed in the region affected by the drought, is generally quite satisfactory. Lespedeza is a legume, and its hay is comparable to alfalfa in feed value. Vetch is also a legume, being high in protein, and in combination with oat hay, which is high in carbohydrates, makes a roughage satisfactory for either work horses or cattle."

Johnson grass, Mr. Gramlich said, is similar to fine-stemmed cane hay and is equal in feed value to either fine cane hay or sudan grass. Soy hay, while not attractive looking, is very high in feed value, being rich in protein. "To those not familiar with soy bean hay," he said, "it appears to be stemmy and coarse. However, livestock will consume even the coarsest parts of the plant with relish."

California and Arizona mixed alfalfa and grain hay will cost producers approximately \$20 a ton, delivered; oat and vetch hay from the Willamette Valley will cost approximately \$18 a ton, delivered; Lespedeza will cost about \$9 per ton, f.o.b. Nashville, Tenn., to which must be added \$6 to \$8 freight charges; Johnson grass will cost \$9 to \$10 a ton in Alabama, and \$12 in Mississippi, to which should be added \$6 to \$8 a ton for freight; Soy bean hay of sample grade sells for about \$10 a ton in Illinois, and with freight added to the drought area, will cost from \$18 to \$20 a ton.

Another source of feed is corn fodder conserved last fall by the Missouri relief commission. The commission bought a large acreage of standing corn for harvest as fodder by relief labor. In the last few days, more than

100 cars of this baled fodder has been shipped into western Kansas. It is estimated that approximately 50,000 tons are available.

Mr. Gramlich estimates that 90 percent of the cattle in the afflicted area are breeding stock and milk cows. "Farmers do not want to sell this livestock", he said. "They would like to hold it for at least another month, if possible, in the hope that there may be sufficient rain to bring pasture and enable them to keep animals which are an integral part of their farm equipment. By establishing the branch office of the feed agency, it is hoped to accelerate the movement of this feed to dealers, and thus to close the gap between the supply of these feeds not ordinarily used in the great plains region and the livestock producer."

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MINIMUM WAGES SET FOR SUGAR BEET FIELD LABOR

Minimum wage rates for 1935 sugar beet field labor for four areas comprising 28 beet sugar factory districts in Colorado, Nebraska, Wyoming and Montana, have been established under the authority of the Jones-Costigan Act and under the permissive authority in the sugar beet adjustment contract. The wage determination was made by the Secretary of Agriculture and announced by the Agricultural Adjustment Administration. The wage rates were established after public hearings in the affected areas, and followed numerous requests for such action from laborers, growers and processors. Two associations of beet growers --those in the Southern Colorado and in the Montana-Wyoming area--petitioned the Secretary to intervene, while the Mountain States Beet Growers' Association notified him that it had failed to come to terms with the laborers.

In Nebraska also no agreement had been reached. Specific provision for the determination of minimum wages is made in the sugar beet production adjustment contract which producers have signed. Adjustment payments to producers under this contract are conditional upon producers paying to laborers the wages agreed upon for the 1935 crop.

The regions for which minimum wages have been determined and the total wage per acre are:

SOUTHERN COLORADO: \$17.50 an acre. (Includes factory districts of Swing, Rocky Ford, and Sugar City)

NORTHERN COLORADO: \$19.50 an acre. (Includes factory districts of Longmont, Loveland, Fort Collins, Windsor, Eaton, Greeley, Fort Lupton, Brighton, Fort Morgan, Brush, Sterling, and Ovid)

NEBRASKA-WYOMING \$19.50 an acre. (Includes factory districts of Scottsbluff, Mitchell, Minatare, Lyman, Gering, Bayard, Torrington, and Wheatland)

MONTANA-WYOMING \$21.50 an acre. (Includes factory districts of Billings, Sheridan, Lovell, Worland, and Sydney)

The wages set forth in the determination are higher than those paid in 1934, and are between those offered by growers and those asked by laborers for this year. The wages maintain the usual differentials between the different areas, as testified to at public hearings. In making the determination consideration was given to the fact that fixing of wages at unduly high rates would tend to discourage plantings by growers and thus reduce the total employment available for beet labor.

The wage determination fixes the amount to be paid per acre in each area for each crop operation such as bunching and thinning and hoeing. In the case of pulling and topping, a sliding scale of payment is provided. It also includes customary provisions regarding the time of payment for the different operations, and provides that \$1 an acre due on bunching and thinning may be withheld from payment as a guarantee of the faithful performance of the laborer until the beet crop is harvested. The housing and gardening facilities customarily made available in each district are required to be maintained.

The rates for the different operations as established by the Secretary are:

	Thinning	1st Hoeing	2nd Hoeing	Pulling & Topping	Total
Southern Colorado	\$7.00	\$1.75	\$1.25	\$7.50 <u>1/</u>	\$17.50
Northern Colorado	7.50	1.75	1.25	9.00 <u>2/</u>	19.50
Nebraska-Wyoming	7.50	1.75	1.25	9.00 <u>2/</u>	19.50
Montana-Wyoming	8.50	2.50	1.50	9.00 <u>2/</u>	21.50

1/ For 10 ton yield @ 75¢

2/ For 12 ton yield @ 75¢

The pulling and topping rates are based on a 10-ton-per-acre yield in southern Colorado and a 12-ton-per-acre yield in the rest of the area. For beets pulled and topped above these yields in the respective areas, additional payment is to be made at 60 cents a ton.

Payments for bunching and thinning and for the first hoeing are to be payable upon the completion of the first hoeing; payment for subsequent hoeings on or before September 15, 1935, and payment for pulling and topping when the work is completed. The \$1 an acre of the bunching and thinning payment may be held until final completion of the year's work. However, if a worker ceases work through no fault of his own before the completion of the contract, his wages for work up to that time become payable in full.

HEARING ON PROPOSED CURRANT AGREEMENT

A proposed marketing agreement for currants grown in Ulster and Orange Counties, New York, will be considered at a public hearing in St. Mary's Hall, Marlboro, N. Y., May 3, the Agricultural Adjustment Administration has announced. Two-thirds of the country's commercial production is grown in the two counties. The agreement is sponsored by growers and by six local handlers who sell approximately 80 percent of the currants marketed from the area. Prices to producers during recent years have been approximately 25 percent below parity. The agreement is designed to correct this situation.

The proposed agreement provides for a control committee made up of six growers, six local handlers and a thirteenth member to be chosen by the original twelve. The committee would set a minimum price below which no handler might sell currants. Since most of the handlers in the two counties are grower-cooperatives, any improvement in their selling prices would be directly reflected in increased returns to growers.

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HEARINGS ON TEXAS CITRUS CITATIONS

Hearings on the cases of four shippers, who have been directed to show cause why their licenses as handlers of citrus fruit grown in Texas should not be revoked or suspended, are scheduled for April 29, at Weslaco, Texas, the Agricultural Adjustment Administration has announced.

The cases involve the J. and W. Fruit Co. of Pharr, charged with shipping unclassified grapefruit, shipping without allotment and in excess of allotment, and failure to pay assessments representing its share of the expense of administering the license; the Famous Blue Ribbon Citrus Groves of Mission, charged with shipping unclassified grapefruit and with shipping without allotment; the K. and W. Fruit Co. of Pharr, charged with shipping grapefruit without allotment and failure to pay assessments; and Melch & Co., Inc., of Mission, charged with shipping grapefruit in excess of allotment, shipping without allotment and failure to pay assessments.

The Famous Blue Ribbon Citrus Groves, in replying to the show-cause order, also entered a petition for modification of the license for Texas citrus fruit. This plea will be considered at the same time the charges of license violation are heard.

Hearings also on the cases of two shippers charged with violation of the license for citrus fruit grown in Texas will be held May 1 in Weslaco, Texas. Glenn J. Gifford of the Adjustment Administration will preside.

Both shippers have received orders directing them to show cause why their licenses should not be revoked or suspended. The Mission Citrus Association of Mission was charged with shipping grapefruit without allotment and with failure to pay assessments representing its share of the expense of administering the license. LaBonita Fruit Co. of Harlingen was

charged with shipping grapefruit without allotment, shipping unclassified grapefruit, and with failure to pay assessments.

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PUERTO RICO TAX FUND BENEFIT PAYMENTS

The allotment of \$2,250,000 out of processing tax collections on sugar from Puerto Rico, to be used in making the adjustment payments to Puerto Rican producers cooperating in the sugar adjustment program for that area, has been made by the Secretary of Agriculture with the approval of the President. The order under which the allotment has been made is Puerto Rico Tax Fund Order No. 4.

The production adjustment program which has been approved for Puerto Rico provides for benefit payments of about \$11,400,000 to cooperating growers. Contracts are now being signed and initial payments will be made as soon as contracts are approved.

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NEW LOANS TO GUM ROSIN AND TURPENTINE PRODUCERS

New loans to those producers of gum turpentine and gum rosin who are signers of the marketing agreement for the industry have been authorized by the Commodity Credit Corporation upon recommendation of the Agricultural Adjustment Administration. A commitment of \$7,000,000 has been made by the Reconstruction Finance Corporation to the Commodity Credit Corporation for the purpose of making such loans.

The new loans, maturing March 31, 1936, will be made on the basis of \$50 per unit. A unit consists of one 50-gallon barrel of turpentine and 3-1/2 500-pound barrels of rosin. The loans will be made only directly by Commodity Credit Corporation through the Jacksonville Loan Agency of Reconstruction Finance Corporation. Forms for use in obtaining loans are now being prepared and will be distributed through the Reconstruction Finance Corporation Loan Agency and the Control Committee.

Fifty percent of the marketing allotment granted to each individual producer by the Control Committee, for the period from May 1, 1935 to October 1, 1935, will be eligible for loans upon the completion and release of the forms by Commodity Credit Corporation. Since 64 percent of the year's crop is produced within the above period, 32 percent of the individual producers annual marketing allotment will be immediately eligible for loans.

The marketing agreement and license call for a total marketing quota of 450,000 units in 1935. Under the loan plan, Chester C. Davis, Administrator of the Agricultural Adjustment Act, points out, there should be a free market for naval stores during the time producers signatory to the marketing agreement may obtain loans. It is believed the loans will materially aid producers in marketing naval stores in an orderly manner.

The maturity date of the loans now in effect has been extended to July 1, 1935. One of the conditions under which a borrower may obtain a new loan is that he agree that all gum rosin and gum turpentine pledged under loans made under the 1934 program will be sold, and the notes liquidated, prior to the sale of any 1935 production pledged to secure new loans. All collateral pledged to the Commodity Credit Corporation will be held to secure all indebtedness. In the course of the 1934 loan program \$4,500,000 was advanced. Of this \$900,000 has been repaid by now.

Agricultural Adjustment Administration officials believe that under the new loans proper balance between production and consumption can be reached at a price basis fair to both producer and consumer. The marketing agreement, they report, now is receiving strong support from producers and other branches of the industry. They add that such adjustments and revisions, either up or down, as are necessary, will be made in future annual quotas, in order to meet consumption requirements.

Under the new program the \$50 unit loan value is to be applied on a basis of 48 cents per gallon of turpentine; \$5.50 a market barrel of approximately 280 pounds weight for grades K and W.W. rosin; \$5 a barrel for grades W.G. and N; \$4.50 a barrel for grades M, K, I, H, and G; \$4 a barrel for grades F.E. and D; and \$3.50 a barrel for grade B. All of these values would be based on location at port points and proper differential will be made for loans on production located at interior points.

A research program under the direction of the Control Committee is being planned by the Universities of Florida, Georgia, Alabama, Mississippi, and South Carolina. Projects include developing new uses for naval stores and increasing efficiency of industrial processes.

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